

Message Text

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PAGE 01 SAIGON 20622 080604Z

20

ACTION EA-14

INFO OCT-01 ISO-00 IO-14 OMB-01 ABF-01 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 DODE-00

PM-07 H-03 L-03 NSC-10 PA-04 PRS-01 SS-20 USIA-15

ACDA-19 DPW-01 DRC-01 EUR-25 SAJ-01 IGA-02 NIC-01

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P 080515Z DEC 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 9755

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E.O. 11652: N/A

TAGS: MARR, VS

SUBJECT: ICCS: BUDGET REVISION

REF: STATE 239740

1. BUDGET REVISION PROPOSED BY DIRGEN NUR (REF SAIGON 19825) HAS NOT YET BEEN APPROVED BY ICCS. DIRGEN RETURNS FROM LEAVE LATE DECEMBER 7 AND, ALTHOUGH HE EARLIER AGREED PROVIDE EMBOFF WITH DETAILS ON HIS PROPOSALS, WE HAVE NOT YET SEEN A COPY. WE EXPECT UPON HIS RETURN TO DISCUSS THE MATTER IN FULL DETAIL.

2. IRDEL AMB SADRI, NOW IN CHAIR, HAS CALLED MEETING ON BUDGET INCLUDING HEADS OF DELEGATIONS AND SECRETARIAT, TO BE HELD MONDAY OR TUESDAY OF NEXT WEEK. SADRI TOLD EMBOFF DECEMBER 6 THAT HE EXPECTS REVISED BUDGET TO BE APPROVED QTE BY END OF THE YEAR UNQTE, AND NEW BUDGET FOR 1974-75 TO BE AVAILABLE EARLY IN JANUARY. WE BELIEVE THIS TO BE AN OVERLY OPTIMISTIC ESTIMATE.

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PAGE 02 SAIGON 20622 080604Z

3. EMBASSY HAS STRESSED TO MEMBERS OF ALL DELEGATIONS IMPERATIVE

NEED OF OBTAINING REVISED ICCS BUDGET AS SOON AS POSSIBLE. HOWEVER, ONLY AVAILABLE INFORMATION WE HAVE AT PRESENT ON REVISED ICCS

BUDGET IS THAT REPORTED SAIGON 19607.

4. EMBASSY BELIEVES NUR WILL HAVE GREAT DIFFICULTY IN GETTING REVISED BUDGET APPROVED AND, IF APPROVED, IN BEING ABLE TO BRING ICCS FINANCING IN FOR FOURTEEN MONTH PERIOD AT \$33 MILLION. AS NUR POINTED OUT (SAIGON 19607), HE IS HOPING TO REDUCE APPROXIMATELY \$5 MILLION EACH BOTH (A) SECRETARIAT AND CONTRACTUAL EXPENDITURES AND (B) TOTAL DELEGATION CLAIMS HE FURTHER PROPOSES REDUCE CAPITAL EXPENDITURES ITEM BY APPROXIMATELY 50 PERCENT.

5. WITH REGARD TO (A), ICCS IS BUSILY ENGAGED IN TRYING TO AMEND AIR AMERICA AND PA&E CONTRACTS. WHILE CONTRACTORS ARE COOPERATIVE IN THESE EFFORTS, REAL SAVINGS TO ICCS WILL APPEAR ONLY IN THE MONTHS AHEAD AND IT SEEMS VERY UNLIKELY THAT SAVINGS CAN BE REALIZED IN THE MAGNITUDE OF \$5 MILLION IN THE FOUR MONTHS REMAINING OF THE BUDGET YEAR.

6. WITH REGARD TO (B), NUR CLAIMED THAT THREE DELEGATIONS (HUNG, POL AND INDO) HAD NOT RECEIVED APPROVAL OF THEIR HOME CAPITALS TO

REVISIONS IN CLAIMS FOR REIMBURSEMENT OF EXPENSES MADE AND ESTIMATES OF FUTURE DELEGATION EXPENSES, AND HE EVIDENTLY DOES NOT HAVE AS YET A FIRM OPINION OF WHAT THE IRANIAN DELEGATION PROPOSES. AN ADDITIONAL COMPLICATION FOR NUR IS THAT NO OFFICIAL CANCEL BILL HAS YET BEEN RECEIVED.

7. EMBASSY BELIEVES COMMUNIST DELEGATIONS WILL AGREE PERHAPS TO MODERATE REDUCTIONS IN THEIR CLAIMS. IT WILL BE DIFFICULT FOR THE INDONESIANS TO REDUCE FURTHER, AND SINCE THEIR CLAIMS ARE CON-

SIDERABLY LOWER THAN THAT OF THE EASTERN EUROPEANS, ANY REDUCTIONS HERE WILL NOT BE SIZEABLE. THE EMBASSY, LIKE NUR, IS UNSURE OF WHAT THE IRANIANS ARE CLAIMING AT THIS STAGE AND IT SEEMS TO US LIKELY

THAT THEY ARE THEMSELVES NOT YET SURE.

8. THUS OUR ESTIMATE IS THAT NUR WILL NOT, REPEAT NOT GET THE ICCS LIMITED OFFICIAL USE

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PAGE 03 SAIGON 20622 080604Z

TO GO ALONG FULLY WITH WHAT HE HAS TOLD US HE IS RECOMMENDING. HE IS NOT LIKELY TO ACHIEVE THE SAVINGS HE WISHES IN REGARD WITHER TO CONTRACTS OR DELEGATION CLAIMS. FYI EMBASSY STUDY OF BUDGET PROPOSAL IN AUGUST CONCLUDED THAT ICCS WOULD BE SPENDING IN NEIGHBORHOOD OF \$40 MILLION AT THEN CURRENT LEVEL OF EXPENDITURES. NUR HAS MADE SOME SAVINGS TO DATE, BUT NOT IN MAGNITUDE HE IS NOW PROPOSING. END FYI
MARTIN

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NNN

Message Attributes

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